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United States Department of Agriculture,

OFFICE OF MARKETS AND RURAL ORGANIZATION,

WASHINGTON, D. C.

WORK OF THE OFFICE OF MARKETS AND RURAL ORGANIZATION.

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INTRODUCTION.

It is believed that effective and economical methods for distributing and marketing farm products should go hand in hand with scientific methods of production, as it profits little to improve the quality and increase the quantity of our crops if we can not learn when, where, and how they may be sold to advantage. To provide for a study of the problems involved, Congress during the spring of 1913 appropriated funds for the establishment and operation of the Office of Markets of the Department of Agriculture. The Office of Rural Organization was established by Congress a year later, in order to determine the possibilities and encourage the use of organized cooperative effort in improving rural conditions. These two Offices were combined on July 1, 1914, and the combined unit is known as the Office of Markets and Rural Organization.

The authority conferred by Congress in appropriating funds for the maintenance of this Office provides "for acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing and distributing of farm and nonmanufactured food products and the purchasing of farm supplies," and the study of cooperation among farmers in the United States. So far as marketing work is concerned, the activities of the Office, therefore, are limited to the collection and distribution of information. For example, it has no authority to prosecute cases of alleged dishonesty on the part of producers, carriers, dealers, or buyers. It has nothing whatever to do with the problems of production.

Owing to the complexity and wide scope of the work, up to the present time it has been impossible to undertake a comprehensive study of more than a few of the most urgent and important of the problems which demand investigation. As far as possible the marketing problems are being studied from the points of view of producer, dealer, and consumer. A large part of the rural organization

investigations has consisted of studies of the work of rural credit associations. As this work is now well under way, more time will be devoted to other phases of rural organization work without, however, discontinuing any of the rural credit investigations.

Some bulletins have been issued giving the results of investigations, and others are ready for publication. The lines of work which now are being prosecuted are described briefly below. Further information may be secured by addressing definite questions on specific subjects to the Chief of the Office of Markets and Rural Organization.

COOPERATIVE PURCHASING AND MARKETING.

The individual grower frequently discovers that working alone he is unable to do certain things which are economically essential. Because of this fact a general demand for cooperative effort has arisen, and it is with the view of being helpful to this movement that the work on this project is being emphasized.

It has been found that cooperative marketing is carried on in the United States to a much greater extent than was supposed. The names and addresses of over 10,000 marketing associations have been obtained, including cooperative and noncooperative elevators, creameries, fruit, produce, and other associations, and it has been estimated that over a billion dollars' worth of agricultural products are sold each year by cooperative marketing organizations.

The investigations undertaken include a study of successful buying and selling organizations in this and foreign countries to discover their strong and weak points and the reasons for the failure of organizations which have been unsuccessful. Experiments are being made to ascertain the advantages of direct dealing between organized producers and organized consumers in such commodities as eggs, poultry, butter, fruit, and vegetables.

Suggestions may be given regarding cooperative organizations; when they are warranted and how they should be organized; forms of constitutions and by-laws; incorporation, control, and management. It is hoped that through such organizations production may be adapted to meet market requirements, waste may be eliminated, brands and trade-marks established, special local products advertised, refrigerator cars and other special transportation used, new markets discovered and old ones extended, methods of securing information as to crop and market conditions devised, by-products utilized, cold and common storage facilities obtained and the holding of crops financed, supplies purchased, equipment and material secured and used, and all the advantages and economies gained which accrue to enterprises which are conducted on a large scale.

Information and assistance have been given to existing and prospective organizations by correspondence, personal visits, and public addresses. Before any practical advice can be given to persons who intend to organize, or who have organized, a clear understanding of the local situation is necessary. Those wishing suggestions from the Office should state the facts as to the kind and amount of crops to be marketed; the extent of territory to be organized and the number of growers to be included; how the marketing is now done and the market now supplied; whether any cooperative effort has been attempted in the community; and, if so, its success; and any other essential details.

MARKETING BUSINESS PRACTICE.

The marketing of agricultural products is a business, and in order to bring the greatest returns to the producer and to lessen the price to the consumer it must be conducted in a thoroughly businesslike way. Competent management, accurate records and accounts, and proper tools are essential in the conduct of all business enterprises, great or small. The failure of many cooperative organizations selling farm products may be traced, either directly or indirectly, to the lack of one or more of these essentials.

To be successful in eliminating wastes the cost of each step in the marketing and distributing of agricultural products must be accurately ascertained. Wastes and excessive profits must be discovered before they can be eliminated. For this reason the Office of Markets and Rural Organization is conducting investigations of the business practices of cooperative and noncooperative marketing, distributing, purchasing, and rural business organizations, and other agencies engaged in the marketing, distributing, and storing of farm products, paying especial attention to office organization, accounting systems, methods of auditing, office appliances and equipment, and plans of financing. Systems of accounts are being devised for various types of organizations and other agencies; one for cooperative grain elevators has been completed, tried out successfully in actual operation, and now is available for use. Over 200 elevators have made arrangements to install this system this year. Other systems have been devised for fruit exchanges, produce associations, live-stock shipping associations, and poultry circles. After a thorough test of their practicability the accounting systems devised by the Office are made available for all, and when practicable active assistance is rendered in their installation. Systems of accounts also are being outlined for firms doing a commission business in agricultural products, with the view of devising something which may be adopted ultimately as a uniform system by the trade.

MARKET SURVEYS, METHODS, AND COSTS.

Under our present system of marketing food products the consumer seldom receives any material benefit from the production of an unusually large crop. While our distributing system seems fairly satisfactory as long as products are handled in car lots, its functions are not properly performed when unusually large quantities of food products have accumulated in the larger markets and need to be passed on to the consumer.

Wholesale prices are often so depressed as to be ruinous to the producer, while the consumer who buys in small quantities realizes little reduction in price. In other words, our present methods do not give to the consumer the benefits of the unusually low prices which producers receive in seasons of abnormal production.

Apparently the situation is aggravated by the accumulation of great quantities of food products at large cities for redistribution to many smaller markets, each of which consumes full car lots and which probably could be served more economically were its shipments received direct from the regions of production. At this point the work in market surveys merges with the work to be undertaken in studying the practicability and costs of a market news service designed to promote a better distribution of perishable crops. The distributing methods used in large cities are being investigated, and studies are being made of the current market quotations, which in certain commodities have been reported to the Office of Markets and Rural Organization daily. These data are being used in a preliminary trial of the practicability of a market news service.

This part of the work also includes those general studies which relate to supply and demand and many specific studies of different marketing methods and of the costs of the various services involved. This comprises surveys of the consumption of specific products in definite localities, as well as a determination of the market surplus produced within certain shipping areas. In making these surveys, there have been compiled lists of producers, producers' organizations, shippers, and transportation agents and officials from whom information on specific perishable crops may be secured in season. Although they are subject to revision, the lists for such products as potatoes, strawberries, peaches, tomatoes, cabbage, and onions are practically complete. An important part of the investigation is a study of the relation of prices to receipts in important distributing centers, with a view to determining the point at which the market becomes glutted, the prices falling so low as to render shipments unprofitable. During the shipping seasons, a force of market reporters works in the more important market centers of the country, its principal duty being to follow the progress of certain products from the

time they arrive in a given city until they reach the ultimate consumer. This force has traced a large number of carloads of different commodities, and has obtained much valuable and detailed information.

The market survey work includes a great many detailed investigations of the methods pursued and the costs involved in the handling and distribution of specific articles and products, especially those which are produced or consumed within fairly definite areas.

MARKET GRADES AND STANDARDS.

The purpose of this project is the investigation of present methods of gathering, handling, grading, packing, and shipping farm products to determine their relative efficiency, and the education of the producer and shipper as to best methods, and as to the value and necessity of fixed market standards and strict grading. (Legal standards for food products, under the Food and Drugs Act, are not considered under this project.)

The term "standardization," as understood in the mercantile world to-day, refers to the general use of uniform supplies, equipment, and operating methods. Manufacturers have found it to be not only to their individual and mutual advantage, but of great benefit to the general public. The Office is making studies to determine how the farmer may standardize his output with like benefit to himself and to his customers.

The Office is making investigations to determine the desirability of the national standardization of market grades, weights, measures, and packages or containers, and of uniform trade names for each for all sections. It has been found that a great lack of uniformity exists among the various State laws on the subject of standardization, many conflicting so seriously as to interfere with the most advantageous marketing and distribution of farm products. Complete files of present Federal, State, and municipal laws and regulations concerning grades, standards, weights, measures, packages, and containers are being collected.

This Office in investigating the value and desirability of fixed marketing standards and of encouraging their universal use has studied methods of picking, packing, and shipping, the grades and grading, and the types and sizes of packages used for a number of products, such as peaches, strawberries, tomatoes, celery, potatoes, and cantaloupes. It was found that in a season which was generally disastrous to cantaloupe growers one Colorado company, which carefully maintained a superior pack and grade, was able to market every car at a profit.

While these investigations have been confined in the main to perishables, it is proposed to extend them to other farm products as opportunities arise. Study is now being made of the possibilities of

establishing market standards for use in grading and shipping potatoes, as very little has been done toward securing uniform practices in handling this great crop.

A collection of typical boxes, crates, and carriers used in all sections of the country is being made. A standard barrel and pack for apples was established by Congress in 1912. A standard barrel for fruits, vegetables, and other dry commodities was similarly established in March, 1915, this law becoming effective July 1, 1916.

CITY MARKETING AND DISTRIBUTION.

This work includes an investigation of all the commercial methods of distributing and marketing foodstuffs in cities. The great city is the home of many acute marketing problems, as a large percentage of the costs and wastes in the distribution of food products occurs there. It is in these market centers that gluts, due to oversupply or an unevenly apportioned supply, occur most frequently, while other obstructions often prevent a free flow of foodstuffs from grower to consumer.

In the case of perishable products every handling is conducive to additional deterioration, and every change of ownership or possession means, as a rule, added costs. It is planned to trace products from the time they are received in the city until they are in the hands of the consumer in an effort to locate the sources of waste, record the unnecessary changes of ownership, and also to study the work of each type of dealer and the cost and efficiency of his service.

Considerable attention is centered at present on the possibilities of municipally owned wholesale and retail markets where modern facilities at minimum prices can be offered to the farmer and dealer, to the end that they may conduct the business of marketing in as efficient a way as possible. The best municipal markets of the country are being studied with reference to the details of location, cost, construction, sanitation, maintenance, and the service, or lack of it, which they render to the public. As a result of these surveys several cities already have been enabled to increase the efficiency of their markets. At present few cities in the country have a well-developed, practical plan of receiving and distributing their perishable food supply so as to minimize the costs and the deterioration of the products. There is a great field for the utilization of satisfactory wholesale terminal markets, while many cities doubtless would find it profitable to maintain a system of municipal retail markets.

There is a constantly increasing demand from municipalities all over the country for advice and aid in improving their marketing conditions, and as far as is possible this demand is being answered. In many cases personal investigations have been followed by extensive reports containing specific advice regarding suitable types of public markets,

their advantageous location, and other details, on the successful working out of which depends the success of a municipal market system.

Most large markets are tending more and more to draw their supplies from distant points on account of better and more uniform service. This is not only very costly, but is not conducive to the development of adjacent agricultural land. To serve its own interests best, it is believed a city should obtain as much of its food supply as is economically possible from tributary territory. This Office will make special endeavor to help cities develop a neighboring food supply. This will include a thorough investigation into the possibilities of farmers' wholesale and retail public markets, auction facilities, and any other promising methods of more direct marketing.

Many of our cities are poorly equipped with facilities for storing perishable goods for short periods of time. In order to see whether it is possible to suggest improvements in this direction, the availability of mechanical refrigeration will be studied as applied not only to wholesale terminal markets and retail public markets, but also to units small enough to be utilized in apartments and dwelling houses.

TRANSPORTATION AND STORAGE.

The investigations under this project are intended to aid in the solution of marketing problems which are involved in the transportation and storage of farm products.

The Office has undertaken to render assistance both to individual producers and shippers and to associations of producers or consumers in difficulties relating to the transportation of farm products. As a rule, this assistance has been along general educational lines. The Office has not attempted to act specifically with carriers as agent for any person or association. Many communications have been sent in the effort to explain to shippers technical details concerning railroads and their methods. The endeavor has been to put them in a position to handle their business with common carriers in an intelligent manner. For the most part it is believed that better service is rendered the public by helping them to help themselves in such matters than by taking charge of the whole affair for them. Cases may arise, however, in which it would be advisable for the Office to handle directly with shippers and carriers all of the details of some transaction, and in such an event it will undertake to do so as a demonstration, especially when better results can be obtained and the educational value of the service to shippers can thus be increased.

It is believed that this work will help to bring about and maintain better relations between shippers of farm products and the carriers. To that end the Office is endeavoring to create a better understanding on the part of shippers of the peculiar problems and difficulties confronting carriers, and, on the part of carriers, of the

special needs and difficulties of shippers of farm produce. This mutual understanding should result in closer cooperation between the two, which is necessary and desirable, for, in its last analysis, production and transportation are merely different phases of the same industrial activity and the producer and carrier must prosper or fail together.

In this division of the work a careful study is being made of the following and other subjects:

Terminal and transfer facilities of railroads in their bearing on economy of time and labor in loading and unloading and as they affect the time in transit of perishable farm products.

Transit and similar privileges as they facilitate the distribution of farm products and lower the cost of such distribution.

Car supply of the entire country, of particular sections, and of private car lines and individual roads; increase in the efficiency of cars by prompt loading and unloading, and the effect of demurrage laws and rules on car efficiency.

Freight rates as generally, but not necessarily, the prime consideration in questions of transportation; their equalization as between roads, between competitive producing centers, and between competing markets; and their reduction, when necessary, to stimulate production and develop new centers or additional areas of production.

Minimum carload weights in their relation to rates and the limits necessary for proper ventilation and refrigeration of perishable commodities.

Construction of specific purpose cars, such as refrigerator cars, heater cars, and live-poultry cars.

Iced pick-up cars and special market trains, as operated by steam roads, electric lines, and express companies, as factors in increased production and more effective distribution.

Commercial storage, with or without refrigeration, its influence on prices, and its relation to the effective distribution of food supplies.

MARKETING BY PARCEL POST AND EXPRESS.

During the past few years a considerable public sentiment has developed in favor of the promotion of direct, or more nearly direct, dealing between producer and consumer, with special reference to food products. While it is probable that the existing means and methods of distribution never will be entirely displaced, there undoubtedly is a field within which direct dealing may become effective, with no other intermediate agency than the transportation companies or the United States mail. The transportation may be by freight (rail or water), express, or parcel post.

As a result of this popular demand for direct marketing, especially by parcel post, the Office of Markets and Rural Organization has

carried on extensive experiments in this method of selling various farm products.

Many successful experimental shipments have been made with eggs, butter, and lettuce, and on a less extensive scale shipments of strawberries, cherries, blackberries, gooseberries, grapes, cauliflower, and tomatoes have been tried.

One of the difficulties encountered in the practical application of marketing by parcel post is the matter of contact between producer and consumer. A producer in the country may be ready to do business by parcel post but does not know of a person in the city who wants his produce, whatever it may be; and the consumer in the city who desires to buy direct from the producer by parcel post is similarly handicapped by not knowing where to find the farmer or producer who has the produce he wants. Attempts are being made to find satisfactory methods whereby growers and consumers may come into contact with each other.

As a method of marketing it is expected that the parcel post will succeed only in so far as it affords an improvement over the present system. Fundamentally there are only two reasons why the consumer would undertake the additional trouble in securing produce by mail. These are economy in cost and greater freshness of product. The difference between the country and city price must be shared fairly between the producer and the buyer, and all transactions must be made with scrupulous honesty, for otherwise there is little prospect of making a success of parcel-post marketing, and the benefits which should accrue to both the farmer and his customer will be lost entirely.

MARKETING LIVE STOCK, MEATS, AND ANIMAL BY-PRODUCTS.

In view of the vast extent of the live-stock industry and the centralization of live-stock markets and meat-packing points the problems covered by this project are of special importance. The distribution of our natural resources and of our population appears to necessitate that a large share of our meat products shall pass from the producing to the consuming districts. Thus a great system of centralized markets has grown up, accompanied by vast industries devoted to the preparation and distribution of the meats and animal by-products into which farm stock is converted. The supply and demand at these great markets is affected by so many industrial and economic factors that it is not surprising that farmers frequently are perplexed in attempting to follow the markets and plan their live-stock operations on a sound market basis. Under these trade conditions, efforts at cooperation have been made by the farmers in the Middle West, and their ability to work together in this way has been demonstrated in the remarkable spread of the live-stock shippers' association movement.

The Office of Markets and Rural Organization is conducting a thorough study of existing markets and systems of marketing live stock, meats, and animal by-products, for the purpose of suggesting ways and means by which they may be improved and their cost reduced. In this work special attention is given to the efficiency of methods of feeding, yardage, and handling of live stock and the charges made for such service at the market centers, in order to determine whether the prevailing rates and customs are equitable and whether the regulations in force operate to the advantage of patrons in a reasonable degree. A careful study will be made of transportation facilities to and from the market centers to ascertain, as far as possible, the degree of economy and dispatch with which farm live stock and its products may be marketed. The classification and grading of live stock and meats will be investigated thoroughly, including the establishment of standards of quality among dealers, with a view to instructing producers of live stock as to market demands, and conducting a campaign of education among consumers, looking toward a more rational and intelligent selection of meats.

Authentic figures representing the actual cost of marketing live stock and distributing meats and animal by-products are almost entirely lacking, and it is planned to conduct investigations which will serve as a basis for just conclusions regarding the legitimate and proper place of each class of dealer who participates in the marketing process.

In some parts of the country, where live-stock production is in a new and undeveloped state, as, for example, on western irrigation projects and in parts of the South where diversified farming is being introduced, marketing problems arise which demand prompt aid, which the Office of Markets and Rural Organization will attempt to give. On the other hand, certain localities and individuals already have devised systems of marketing, such as the direct selling of home-prepared meat products, especially farm-cured hams, bacon, and sausage; municipal slaughtering plants; live-stock shippers' associations; and the shipment of meats by parcel post.

MARKETING DAIRY PRODUCTS.

The Office of Markets and Rural Organization is conducting investigational work in the marketing of dairy products. This work begins after the milk and cream are produced by the farmer and is continued by following the raw product through the various stages of transportation and distribution to the ultimate consumer.

A great deal of the investigative work of the Office is carried on in cooperation with the State universities. For example, the marketing of dairy products has been studied in this way in Wisconsin and Minnesota, and in Massachusetts the Office worked in conjunction

with the State agricultural college to determine the cost of supplying milk to certain towns and cities of that State.

The following are some of the subjects which are being investigated:

(1) Systems of selling cream to creameries; (2) systems and methods of marketing both creamery and farm-made butter in different sections of the country; (3) costs of marketing butter by different distributive systems and methods of marketing; (4) costs of market milk distribution in various cities; (5) market classifications and rules for grading dairy products; (6) relation of market classifications and quality of dairy products to prices received for them in the market. Investigations also are in progress, or are being planned, to cover other phases of marketing dairy products.

HANDLING, MARKETING, AND UTILIZATION OF COTTON AND ITS PRODUCTS.

In the spring of 1912 the Bureau of Plant Industry of the Department of Agriculture instituted the investigations in cotton handling and marketing, which now are carried on as a part of the work of the Office of Markets and Rural Organization.

In this work investigation is made of the commercial processes involved in the handling, marketing, and utilization of cotton, in order to determine whether improvements and economies can be suggested. Experiments are made to determine the relative commercial value of pure-bred varieties of cotton and the percentage of moisture in cotton at the gins, compresses, and other concentration points. Primary market surveys are undertaken to determine geographical production, the quality and variety of long-staple cottons, and other matters. An effort is made to demonstrate to cotton growers the advantages of organizing cooperative marketing societies to handle cotton in even-running commercial quantities, and to assist them in forming these associations. Illustrations of results already obtained in this work are afforded by organizations of cotton planters which have been formed in Arkansas and Arizona. More direct dealing between grower and manufacturer is promoted in order to reduce to a minimum injurious and unnecessary handling of cotton.

Two lines of work have developed from this project which appear to demand special consideration: The first is the marketing and utilization of cotton seed and its products; the second is the warehousing of cotton. In connection with the first, investigations are made of the present methods of handling, marketing, and utilization, and studies are carried on regarding the establishment of standard grades and the standardization of conditions under which cotton seed and its products are handled and stored. In the cotton warehousing investigations, studies are being made of such subjects as insurance rates on cotton in storage and the results, including better arrangements for

financing, to be derived from conserving cotton in storage houses; the construction of different types of warehouses; and the relation of present methods and practices of compressing cotton to warehousing. Special attention will be given to cooperative storage companies with a view to aiding such organizations when advisable. Investigations will be made to determine the relation of warehouse facilities to the financing of the cotton crop and the interest rates on money loaned on cotton, as well as the relation of the various methods and practices of compressing cotton to storage capacity, insurance rates, and economy in handling and transportation.

INVESTIGATIONS AND DEMONSTRATIONS OF COTTON STANDARDS AND COTTON TESTING.

In making appropriations for the fiscal year 1916, Congress transferred the item under which this work was conducted from the Bureau of Plant Industry to the Office of Markets and Rural Organization, which already had charge of problems of cotton handling and marketing and of the administration of the United States cotton futures act.

In the work of investigating and demonstrating cotton standards, studies are being made relative to the classification and standardization of blue-tinged and yellow-tinged cotton. Tentative types of these colored cottons have been prepared and their application to the trade is being studied. Methods for determining the exact length of cotton staple are being considered. Work is conducted regarding the formulation of standards for Arizona-Egyptian cotton, and cotton of perished staple, immature staple, and of gin-cut cotton, reginned cotton, and cotton linters.

Field work is done to determine the physical effect of the various processes of ginning, baling, and compressing on the grade and fiber of cotton. When practicable, the services of grading experts are furnished to communities of cotton growers to demonstrate proper methods, in order to secure more uniform grading in spot cotton transactions and to show to these communities the advantages of proper grading and classification of cotton before sale.

To the end that cotton quotations may be on a more uniform basis, grading and standardization demonstrations also will be conducted in certain spot markets.

Tests are being made, in cooperation with textile schools and large manufactories, to determine the spinning qualities of the official cotton standards of the United States and the grades of Egyptian cotton grown in the Salt River Valley in Arizona.

Information secured from these investigations may be obtained by addressing definite inquiries to the Chief of the Office of Markets and Rural Organization.

THE ADMINISTRATION OF THE UNITED STATES COTTON FUTURES ACT.

The United States cotton futures act became a law August 18, 1914. Its provisions relating to future trading in cotton became effective six months later, February 18, 1915. This act seeks to regulate trading in contracts on exchanges for future delivery of cotton by levying a prohibitive tax on all such trading, except as it complies with certain specified conditions. These conditions were determined with a view to correcting abuses heretofore existing and are imposed on parties to future contracts in order to equalize their privileges and protect the rights of all cotton owners, as future contracts made through the cotton exchanges practically control the price of the entire cotton crop of the South.

By order of the Secretary of Agriculture the administration of the portions of the act devolving on the Department of Agriculture was placed in charge of the Office of Markets and Rural Organization, under the direct supervision of the Secretary and in close cooperation with the Office of the Solicitor, where all legal points are determined.

The first administrative duty imposed by the act was the establishment of the new Official Cotton Standards of the United States, which were promulgated December 15, 1914. The new standard is decidedly higher in quality than the American standard formerly in use in New York and some other markets, and is in substantial conformity with the international or Liverpool standard. Since the promulgation of the new standard about 550 full sets of practical forms or copies have been sold to the trade. The preparation of practical forms of the new standard constitutes one of the regular activities of the Office.

Another duty imposed by this act is the investigation and designation of bona fide spot markets. Fifteen cities have been named as such thus far, and 11 of these are being used in establishing commercial differences for the settlement of future contracts as required by the act. In case future markets do not present certain conditions with reference to their spot business, the expedient was adopted by Congress of requiring the differences on which future trades are settled to be based upon the quotations from markets where sales of cotton are made in such volume and under such conditions as accurately to reflect the value of middling and the differences in value between middling and other grades. By carefully prepared rules governing the making of quotations, by frequent visits to the spot exchanges, and by telegraphic and mail reports from each exchange, it is sought to have the differences of the 11 designated markets accurately represent the true commercial values of the different grades, the average of which may be taken as a satisfactory basis for the settlement of future contracts.

Another important administrative duty under the act is the determination of disputes when they arise as to the length of staple,

grade, or quality of any cotton tendered in settlement of a future contract. The act requires that future trading shall be on the basis of the Official Cotton Standards. Expert cotton classers, termed "examiners," have been designated to act in these disputes, and their memoranda of conclusions as to grade, length of staple, or quality are the basis of the formal findings of the Secretary, which are *prima facie* evidence in courts of the United States as to the true grade, length of staple, or quality and tenderability of any cotton covered thereby.

MISCELLANEOUS PROBLEMS IN MARKETING AND COOPERATION.

Under this general heading may be grouped those activities of the Office which are not included in recognized and established projects, and which, it may be said, generally have their beginnings in the miscellaneous group. It also includes some general cooperative investigational work carried on conjointly with State experiment stations and other agencies.

Among the miscellaneous products which present problems requiring special knowledge and a study of factors not involved in the handling of most farm products are hay, wool, wood-lot products, honey, sugar-cane sirup, and seeds. In cases of this kind marketing investigations must be undertaken in collaboration with some officer of the public service or some outside agency having expert or technical knowledge of the product involved.

This project is designed also to enable the Office to take up the investigation of specific problems not provided for elsewhere, and, when their importance demands, to work them into shape for establishment as separate projects. A new project is now in course of establishment for the investigation of grain marketing. It is expected that studies will be made of the primary marketing of spring and winter wheat. The various methods of marketing corn for both the domestic and the export trade are to be studied and compared, and especial attention given to the marketing of southern corn. The crop of the South, in a general way, matures almost 30 days in advance of that of the grain belt, but, because of inadequate handling and distributing machinery, it is not harvested and put on the market in advance of the huge crop of the Middle West.

RURAL SOCIAL AND EDUCATIONAL ACTIVITIES.

Besides the phase of cooperation dealing with the marketing of farm and food products, work has been instituted looking toward that basic improvement of country life which must come from the country itself, through the development of resident leadership. This work recognizes that the true function of increased prosperity in the farm home is the raising of the standard of living and thinking upon the farm. While other projects of the Office are designed to promote changes which will make farming more profitable, the particular object of this work is to make the country a more desirable place in which to live.

The Office is investigating cooperative organizations that are endeavoring to improve conditions of education, health, recreation, and household economy in rural life. The work done thus far reveals

many needs in all of these directions, and, when practicable, the Office attempts to supply information and suggestions to such associations.

Local demonstration work has been undertaken in Alabama and in North Carolina in cooperation with State and local agencies.

RURAL CREDIT, INSURANCE, AND COMMUNICATION.

The Office of Markets and Rural Organization is making investigations of the methods and agencies now in existence for financing the purchasing and operation of farms and the marketing of farm products in the hope of suggesting means by which improvements may be effected.

Careful survey work has been done to ascertain the rates of interest charged for long and short time farm loans in the various States, including commissions and other items of cost. This study already has revealed the relative need for credit improvement in different sections and suggests the possibilities for important organization work among farmers. A careful study has been made of existing agencies which supply either mortgage or personal loans to farmers, including banks, insurance companies, mortgage companies, building and loan associations, and cooperative credit associations.

In connection with mortgage credit improvement, active assistance has been given to the members of the Scott Cotton Growers' Association at Scott, Ark., in perfecting an organization agreement. Definite experimental and demonstrational work is thus being taken up in the establishment of local credit institutions, which may serve as types for other communities.

A number of special studies have been conducted regarding the credit needs and facilities on reclamation projects, the financing of live-stock enterprises, and farm credit from merchants and other dealers. Assistance has been given in matters of legislation affecting farmers' organizations for credit improvement.

Other classes of rural organizations are mutual insurance and protective associations. Life insurance is highly specialized, and cooperative bodies of the ordinary kind seldom attempt it. Crop, live-stock, and building insurance, however, is being studied as possibly furnishing a field for this work. While live-stock insurance by farmers' mutuals may be said to be in the experimental stage in this country, hail and fire insurance through such companies is thoroughly established, particularly in the agricultural States of the Middle West. The Office is making a careful study of these subjects, and will endeavor as far as possible to supply information and suggestions to such organizations.

Distance between homes in the country often leads to both economic and social disadvantages which it is difficult to overcome. Such conditions can no doubt be made much better by organized effort for road improvement and for the installation of rural telephones. This Office, therefore, will make the necessary investigations to ascertain the opportunities for organized activity to obtain better roads where these are needed and to encourage the organization of cooperative telephone companies in sections where, from sparseness of population or other unfavorable conditions, the installation of a commercial system would not be a success.

PUBLICATIONS OF THE OFFICE OF MARKETS AND RURAL ORGANIZATION.¹

- Department Bulletin 36. Studies of Primary Cotton Market Conditions in Oklahoma. 1913.
- Department Bulletin 121. Spinning Tests of Upland Long Staple Cotton. 1914.
- Department Bulletin 146. Economic conditions in the Sea Island Cotton Industry. 1914.
- Department Bulletin 178. Cooperative Organization Business Methods. 1915.
- Department Bulletin 191. Demurrage Information for Farmers. 1915.
- Department Bulletin 216. Cotton Warehouses: Storage Facilities Now Available in the South. 1915.
- Department Bulletin 225. A System of Accounting for Cooperative Fruit Associations. 1915.
- Department Bulletin 236. A System of Accounts for Farmers' Cooperative Elevators. 1915.
- Department Bulletin 237. Strawberry Supply and Distribution in 1914. 1915.
- Department Bulletin 266. Outlets and Methods of Sale for Shippers of Fruits and Vegetables. 1915.
- Department Bulletin 267. Methods of Wholesale Distribution of Fruits and Vegetables on Large Markets. 1915.
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¹ Available on application to the Division of Publications.

² For sale by the Superintendent of Documents.

